

DEPARTMENT OF CORPORATIONS*California's Investment and Financing Authority*

WILLIAM P. WOOD
California Corporations Commissioner
Sacramento, California

February 18, 2005

James F Fotenos
Greene, Radovsky, Maloney & Share, LLP
Four Embarcadero Center, Suite 4000
San Francisco, CA 94111-4100

RE: Study of the California Corporate Disclosure Act of 2002

Dear Mr. Fotenos:

This is a follow-up request for information in connection with the Department of Corporations' ongoing study of the annual filing and disclosure requirements of the California Corporate Disclosure Act of 2002 (the "Act"). See Corporations Code Sections 1502.1 (and Section 1502), and Section 2117.1 (and Section 2117).

Your letter indicates that compliance with this Act has been costly and burdensome for certain publicly traded corporations (hereinafter referred to as "businesses").

We would appreciate the following additional information (if known) from you, to more fully understand the economic impact of the Act's filing and disclosure requirements on businesses complying with its provisions.

SCOPE OF IMPACT ON BUSINESS FILERS (SPECIFY BY YEAR: 2003, 2004, 2005)

- Indicate the total number of businesses filing with the Secretary of State under, and thereby impacted by, the Act each year.
- Of the total number of businesses impacted each year, provide the estimated numbers and/or percentages of particular types of businesses impacted (e.g., foreign and domestic corporations).
- Of the total number of businesses impacted, provide the estimated number and/or percentage of businesses that are "small businesses" as defined by Government Code Section 11342.610.
 - Securities • Franchises • Off-Exchange Commodities • Investment and Financial Services •
 - Independent Escrows • Consumer and Commercial Finance Lending • Residential Mortgage Lending •

SACRAMENTO 95814-4052
1515 K STREET, SUITE 200
(916) 445-7205

SAN FRANCISCO 94105-2980
71 STEVENSON STREET, SUITE 2100
(415) 972-8559

LOS ANGELES 90013-2344
320 WEST 4TH STREET, SUITE 750
(213) 576-7500

SAN DIEGO 92101-3697
1350 FRONT STREET, ROOM 2034
(619) 525-4233

James F. Fotenos
February 18, 2005
Page 2

- Indicate the geographic extent of the Act's impact (e.g., California and other states).

COST IMPACT ON BUSINESS FILERS (SPECIFY BY YEAR: 2003, 2004, 2005)

- Indicate total statewide dollar costs incurred by all businesses each year to comply with the Act.
- Describe the total initial cost and annual ongoing costs to a typical business to comply with the Act.
- Specify any additional costs that businesses may incur due to differences between the Act's requirements and similar federal requirements.

Please provide the above information to the undersigned by March 11, 2005.

Should you need additional clarification, please call me at the number listed below.

Very truly yours,

WILLIAM P. WOOD
California Corporations Commissioner

By


TIMOTHY L. LeBAS

Deputy Commissioner
Office of Law and Legislation
916-322-3977

TLL:gh

cc: Brian D. McAllister